(c) The Government of India has raised the procurement price of opium for the crop year 2002-03.

Tighter accountability norms for banks

2690. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the RBI is seriously thinking of bringing tighter accountability norms for banks;

(b) if so, what is the main idea behind bringing tighter accountability norms for all banks in the country; and

(c) whether Government propose to bring an amendment to the existing laws in this regard?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (c) The Reserve Bank of India (RBI) had constituted an Expert Committee on Legal Aspects of Bank Frauds under the Chairmanship of Dr. N.L. Mitra, Vice Chancellor, National Law University, Jodhpur. The Committee submitted its report to the RBI in two parts. Part I dealing with in-house preventive measures and part II dealing with prohibitive aspects requiring legislative changes for its implementation. The recommendations of the Committee contained in part I are Development of Best Practice Code (BPC), system of internalisation of BPC, internal check and internal control, legal compliance certification in all transactions exceeding a value limit, legal compliance audit, data building on the exercise of discretionary power and monitoring thereof, liability of the accounting and auditing profession etc. These recommendations were accepted by RBI. All Scheduled Commercial Banks were advised to implement them. In part II of its report, the Mitra Committee had suggested for a separate statute styled "Financial Fraud Investigation, Prosecution, Recovery and Restoration of Property Act, 2001". The Committee has also suggested certain amendments to the Indian Penal Code, Criminal Procedure Code and Indian Evidence Act. The RBI has accepted the above recommendations and have referred the matter to the Government.